

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON TAXATION**

**Call to Order:** By **CHAIRMAN KARL WAITSCHIES**, on March 30, 2005 at 8:00 A.M., in Room 152 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Karl Waitschies, Chairman (R)  
Rep. Gary Branae, Vice Chairman (D)  
Rep. Bob Lake, Vice Chairman (R)  
Rep. Norma Bixby (D)  
Rep. Edward B. Butcher (R)  
Rep. Margaret H. Campbell (D)  
Rep. Jill Cohenour (D)  
Rep. Tom Facey (D)  
Rep. Wanda Grinde (D)  
Rep. Dennis Himmelberger (R)  
Rep. Carol Lambert (R)  
Rep. Dave McAlpin (D)  
Rep. Jim Peterson (R)  
Rep. John (Jack) W. Ross (R)  
Rep. Scott Sales (R)  
Rep. Bill Warden (R)  
Rep. Brady Wiseman (D)

**Members Excused:** Rep. George G. Groesbeck (D)  
Rep. Holly Raser (D)

**Members Absent:** Rep. John Balyeat (R)

**Staff Present:** Jeff Martin, Legislative Branch  
Debra Polhemus, Committee Secretary

**Audio Committees:** These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

**Committee Business Summary:**

Hearing & Date Posted:

Executive Action: HB 741; HB 779; HB 408; HB 639  
HB 592; HB 472; HB 528; HB 792  
HB 764; HB 756; HB 776

**EXECUTIVE ACTION ON HB 741**

00:02:27 **Motion:** REP. PETERSON moved that HB 741 DO PASS.

00:03:17 **Motion:** REP. PETERSON moved that HB 741 BE AMENDED.

**EXHIBIT** (tah67a01)

**Discussion:**

00:04:15 Jeff Martin, Legislative Services Division

00:07:07 REP. PETERSON

**EXHIBIT** (tah67a02)

00:15:05 **Vote:** Motion carried unanimously by voice vote with REPS. BALYEAT, RASER, FACEY and GROESBECK voting by proxy.

00:15:46 **Motion:** REP. PETERSON moved that HB 741 DO PASS AS AMENDED.

**Discussion:**

00:15:54 REP. PETERSON

**EXHIBIT** (tah67a03)

00:23:01 Myles Watts, PhD., Professor of Economics, Montana State University

00:24:32 REP. FACEY

00:25:00 CHAIRMAN WAITSCHIES

00:26:35 REP. LAKE

00:28:16 REP. ROSS

00:28:46 REP. PETERSON

00:29:51 REP. FACEY

00:32:15 REP. PETERSON

00:35:48 REP. FACEY

00:39:29 REP. BUTCHER

00:40:56 REP. PETERSON

00:42:12 REP. WARDEN

00:45:17 Jeff Martin, Legislative Services Division

00:45:34 REP. WARDEN

00:46:18 REP. FACEY

00:47:08 James Standaert, Legislative Fiscal Division

00:48:45 REP. PETERSON

00:49:15 REP. LAMBERT

Discussion: (con't)

00:51:43 CHAIRMAN WAITSCHIES  
 00:52:13 REP. ROSS  
 00:52:26 Alec Hanson, Montana League of Cities and Towns  
 00:53:41 REP. BUTCHER  
 00:58:47 REP. FACEY  
 01:00:23 CHAIRMAN WAITSCHIES  
 01:00:59 REP. LAKE  
 01:03:13 REP. BUTCHER  
 01:04:36 REP. COHENOUR  
 01:05:24 REP. WARDEN  
 01:06:10 REP. ROSS  
 01:06:48 REP. PETERSON

01:09:38 Vote: Motion HB 741 failed 10-10 by roll call vote with REPS. BALYEAT, BUTCHER, FACEY, HIMMELBERGER, LAKE, LAMBERT, PETERSON, ROSS, WAITSCHIES, and WARDEN voting aye and REPS. BALYEAT, GROESBECK and RASER voting by proxy.

EXECUTIVE ACTION ON HB 779

01:11:17 Motion: REP. BUTCHER moved that HB 779 DO PASS.

Discussion:

01:11:50 REP. BUTCHER  
 01:17:50 REP. LAKE  
 01:23:20 REP. LAMBERT  
 01:25:44 REP. WARDEN

01:27:00 Vote: Motion failed 8-12 by voice vote with REPS. BALYEAT, BUTCHER, HIMMELBERGER, LAMBERT, PETERSON, ROSS, WAITSCHIES, and WARDEN voting aye and REPS. FACEY, GROESBECK, RASER, BALYEAT and SALES voting by proxy.

01:28:45 Motion/Vote: REP. ROSS moved that HB 779 BE TABLED AND THE VOTE REVERSED. Motion carried by voice vote.

EXECUTIVE ACTION ON HB 408

01:29:11 Motion: REP. BRANAE moved that HB 408 DO PASS.

01:29:38 Motion: REP. BUTCHER moved that HB 408 BE AMENDED.

EXHIBIT (tah67a04)

---

**Discussion:**

01:29:55 REP. BUTCHER  
01:39:34 REP. LAMBERT  
01:41:23 REP. COHENOUR  
01:43:30 REP. SALES  
01:44:11 CHAIRMAN WAITSCHIES

01:51:30 **Vote:** Motion carried unanimously by voice vote with REPS. McALPIN, BALYEAT, GROESBECK and RASER voting by proxy.

01:51:59 **Motion/Vote:** REP. BUTCHER moved that HB 408 DO PASS AS AMENDED. Motion failed 8-12 by roll call vote with REPS. BUTCHER, HIMMELBERGER, LAMBERT, PETERSON, ROSS, SALES, WAITSCHIES, and WARDEN voting aye and REPS. BALYEAT, GROESBECK, McALPIN and RASER voting by proxy.

01:53:36 **Motion/Vote:** REP. HIMMELBERGER moved that HB 408 BE TABLED AND THE VOTE REVERSED. Motion carried by voice vote with REPS. BALYEAT, GROESBECK, McALPIN and RASER voting by proxy.

01:54:25 Break

02:04:55 Resume

**ADDITIONAL EXECUTIVE ACTION ON HB 741**

02:05:06 **Motion/Vote:** REP. WARDEN moved to RECONSIDER THE MOTION on HB 741. Motion carried 11-9 by roll call vote with REPS. BRANAE, BIXBY, BUTCHER, CAMPBELL, COHENOUR, GROESBECK, MCALPIN, RASER, and WISEMAN voting no and REPS. BALYEAT, CAMPBELL, GROESBECK, MCALPIN and WISEMAN voting by proxy.

02:06:57 **Motion:** REP. PETERSON moved that HB 741 DO PASS AS AMENDED.

---

**Discussion:**

02:07:06 REP. FACEY  
02:07:15 REP. BRANAE  
02:07:37 REP. ROSS  
02:08:16 REP. GRINDE  
02:08:37 REP. WARDEN

02:08:53        Vote: Motion carried 11-9 by roll call vote with REPS. BIXBY, BRANAE, BUTCHER, CAMPBELL, COHENOUR, GROESBECK, MCALPIN, RASER, and WISEMAN voting no and REPS. BALYEAT, GROESBECK, McALPIN and RASER voting by proxy.

EXECUTIVE ACTION ON HB 639

02:10:18        Motion: REP. PETERSON moved that HB 639 DO PASS.

02:13:06        Motion: REP. PETERSON moved that HB 639 BE AMENDED with a conceptual amendment.

Discussion:

02:13:27        Jeff Martin, Legislative Services Division

02:14:13        Vote: Motion carried unanimously by voice vote with REPS. BALYEAT, GROESBECK, McALPIN and RASER voting by proxy.

02:14:43        Motion: REP. PETERSON moved that HB 639 DO PASS AS AMENDED.

Discussion:

02:14:49        REP. COHENOUR

02:14:57        Vote: Motion carried 12-8 by roll call vote with REPS. BIXBY, BRANAE, CAMPBELL, COHENOUR, GROESBECK, MCALPIN, RASER, and WISEMAN voting no and REPS. BALYEAT, GROESBECK, McALPIN and RASER voting by proxy.

EXECUTIVE ACTION ON HB 592

02:16:23        Motion: REP. WAITSCHIES moved that HB 592 DO PASS.

02:16:30        Motion: REP. WAITSCHIES moved that HB 592 BE AMENDED.

EXHIBIT (tah67a05)

Discussion:

02:17:15        Jeff Martin, Legislative Services Division

02:19:37        REP. WISEMAN

02:20:30        REP. COHENOUR

02:20:58        Vote: Motion carried 13-7 by roll call vote with REPS. BIXBY, CAMPBELL, COHENOUR, GROESBECK, MCALPIN, RASER, and WISEMAN voting no and REPS. BALYEAT, GROESBECK, McALPIN and RASER voting by proxy.

02:22:02        Motion: REP. WAITSCHIES moved that HB 592 DO PASS AS AMENDED.

02:22:53        Motion: REP. WAITSCHIES moved that HB 592 BE AMENDED.

EXHIBIT (tah67a06)

Discussion:

02:23:05        Jeff Martin, Legislative Services Division

02:25:32        REP. COHENOUR

02:25:46        CHAIRMAN WAITSCHIES

02:26:16        REP. FACEY

02:26:52        REP. ROSS

02:28:08        REP. COHENOUR

02:28:43        REP. WARDEN

02:29:08        CHAIRMAN WAITSCHIES

02:29:26        REP. SALES

02:29:40        REP. BRANAE

02:30:31        REP. FACEY

02:31:02        Vote: Motion failed 10-10 by roll call vote with REPS. BALYEAT, BUTCHER, HIMMELBERGER, LAKE, LAMBERT, PETERSON, ROSS, SALES, WAITSCHIES, and WARDEN voting aye and REPS. BALYEAT, GROESBECK, McALPIN and RASER voting by proxy.

02:32:05        Vote: Motion carried 12-8 by roll call vote with REPS. BIXBY, BRANAE, CAMPBELL, COHENOUR, GRINDE, GROESBECK, MCALPIN, and RASER voting no and REPS. BALYEAT, GROESBECK, McALPIN and RASER voting by proxy.

EXECUTIVE ACTION ON HB 472

02:33:31        Motion: REP. LAKE moved that HB 472 DO PASS.

Discussion:

02:33:59 REP. COHENOUR  
02:34:15 REP. LAKE  
02:34:56 REP. BUTCHER

02:35:03 *REP. RASER arrives at Committee Meeting.*

02:35:40 REP. BIXBY  
02:35:55 REP. BRANAE  
02:36:18 REP. SALES

02:37:27 Vote: Motion failed 10-10 by roll call vote with REPS. BALYEAT, BUTCHER, HIMMELBERGER, LAKE, LAMBERT, PETERSON, ROSS, SALES, WAITSCHIES, and WARDEN voting aye and REPS. BALYEAT, GROESBECK and McALPIN voting by proxy.

EXECUTIVE ACTION ON HB 528

02:38:42 Motion: REP. WISEMAN moved that HB 528 DO PASS.

02:39:17 Motion: REP. LAMBERT moved that HB 528 BE AMENDED.

EXHIBIT (tah67a07)Discussion:

02:40:40 REP. LAKE

02:42:50 Vote: Motion carried unanimously by voice vote with REPS. McALPIN, BALYEAT and GROESBECK voting by proxy.

02:43:13 Motion: REP. LAMBERT moved that HB 528 DO PASS AS AMENDED.

Discussion:

02:43:21 REP. WISEMAN  
02:43:56 REP. HIMMELBERGER  
02:46:39 REP. BUTCHER  
02:47:45 REP. COHENOUR

02:49:17 Vote: Motion carried 17-3 by roll call vote with REPS. GROESBECK, HIMMELBERGER, and ROSS voting no and REPS. BALYEAT, GROESBECK and McALPIN voting by proxy.

EXECUTIVE ACTION ON HB 792

02:51:00        Motion:    REP. LAKE moved that HB 792 DO PASS.

02:51:48        Motion:    REP. WARDEN moved that HB 792 BE AMENDED.  
EXHIBIT (tah67a08)

Discussion:

02:51:53        Jeff Martin, Legislative Services Division

02:55:36        REP. COHENOUR

02:56:38        Vote:    Motion failed 10-10 by roll call vote with  
REPS. BALYEAT, BUTCHER, HIMMELBERGER, LAKE,  
LAMBERT, PETERSON, ROSS, SALES, WAITSCHIES, and  
WARDEN voting aye and REPS. BALYEAT, GROESBECK and  
McALPIN voting by proxy.

02:57:38        Vote:    Motion failed 10-10 by roll call vote with  
REPS. BALYEAT, BUTCHER, HIMMELBERGER, LAKE,  
LAMBERT, PETERSON, ROSS, SALES, WAITSCHIES, and  
WARDEN voting aye and REPS. BALYEAT, GROESBECK and  
McALPIN voting by proxy.

EXECUTIVE ACTION ON HB 764

02:58:52        Motion:    REP. WISEMAN moved that HB 764 DO PASS.

02:59:27        Motion:    REP. FACEY moved that HB 764 BE AMENDED.  
EXHIBIT (tah67a09)

Discussion:

03:00:16        REP. FACEY

03:03:21        REP. LAKE

03:04:50        REP. COHENOUR

03:05:10        REP. FACEY

03:05:34        CHAIRMAN WAITSCHIES

03:06:06        REP. FACEY

03:08:45        REP. LAKE

03:10:22        Vote:    Motion carried 13-7 by roll call vote with  
REPS. BALYEAT, HIMMELBERGER, LAKE, LAMBERT, ROSS,  
SALES, and WAITSCHIES voting no and REPS. BALYEAT,  
GROESBECK and McALPIN voting by proxy.

03:11:28        Motion:    REP. FACEY moved that HB 764 BE AMENDED.  
EXHIBIT (tah67a10)

Discussion:

03:12:27        Jeff Martin, Legislative Services Division



03:13:26 **Vote:** Motion carried 18-2 by roll call vote with REPS. SALES and WAITSCHIES voting no and REPS. BALYEAT, GROESBECK, McALPIN and PETERSON voting by proxy.

03:15:33 **Motion:** REP. FACEY moved that HB 764 DO PASS AS AMENDED.

03:15:49 **Motion/Vote:** REP. FACEY moved that HB 764 BE AMENDED. Motion carried 19-1 by voice vote with REP. SALES voting no and REPS. BALYEAT, GROESBECK and McALPIN voting by proxy.

**EXHIBIT**(tah67a11)

03:18:02 **Motion:** REP. FACEY moved that HB 764 DO PASS AS AMENDED.

**Discussion:**

03:18:09 REP. ROSS  
03:18:42 REP. FACEY  
03:19:21 REP. COHENOUR  
03:20:01 REP. LAKE  
03:21:12 REP. CAMPBELL  
03:21:49 REP. BUTCHER  
03:23:21 REP. FACEY  
03:24:31 REP. BUTCHER  
03:26:23 REP. COHENOUR  
03:27:10 REP. FACEY  
03:27:26 REP. LAMBERT

03:27:48 *REP. CAMPBELL left Committee Meeting.*

03:28:01 **REP. BUTCHER**

03:28:43 *REP. WISEMAN left Committee Meeting.*

03:29:02 **CHAIRMAN WAITSCHIES**

03:30:23 **Vote:** Motion that HB 764 DO PASS AS AMENDED failed 10-10 by roll call vote with REPS. BIXBY, BRANAE, CAMPBELL, COHENOUR, FACEY, GRINDE, GROESBECK, MCALPIN, RASER, and WISEMAN voting aye and REPS. BALYEAT, CAMPBELL, GROESBECK, McALPIN and WISEMAN voting by proxy.

EXECUTIVE ACTION ON HB 756

03:32:06           **Motion:**    REP. RASER moved that HB 756 DO PASS.

03:32:50           **Motion:**    REP. RASER moved that HB 756 BE AMENDED.

[EXHIBIT](#)(tah67a12)

**Discussion:**

03:33:19           Jeff Martin, Legislative Services Division

03:36:10           **REP. WARDEN**

03:36:38           **CHAIRMAN WAITSCHIES**

03:37:43           **Vote:**    Motion carried unanimously by voice vote  
with REPS. BALYEAT, CAMPBELL, GROESBECK and  
McALPIN voting by proxy.

03:38:12           **Motion:**    REP. RASER moved that HB 756 DO PASS AS  
AMENDED.

**Discussion:**

03:39:08           **REP. ROSS**

03:39:42           **CHAIRMAN WAITSCHIES**

03:40:33           **REP. RASER**

03:41:16           **REP. LAMBERT**

03:41:42           **REP. RASER**

03:42:10           **Vote:**    Motion carried 14-6 by roll call vote with  
REPS. BALYEAT, BUTCHER, HIMMELBERGER, LAKE,  
LAMBERT, and ROSS voting no and REPS. BALYEAT,  
CAMPBELL, GROESBECK and McALPIN voting by proxy.

EXECUTIVE ACTION ON HB 776

03:43:42           **Motion:**    REP. RASER moved that HB 776 DO PASS.

03:44:01           **Motion:**    REP. RASER moved that HB 776 BE AMENDED.

[EXHIBIT](#)(tah67a13)

[EXHIBIT](#)(tah67a14)

**Discussion:**

03:47:33           **REP. RASER**

03:47:45           **Vote:**    Motion carried unanimously by voice vote  
with REPS. BALYEAT, PETERSON, ROSS, LAMBERT,  
McALPIN, CAMPBELL and GROESBECK voting by proxy.

03:48:15        Motion/Vote:   REP. RASER moved that HB 776 DO PASS  
AS AMENDED. Motion carried unanimously by voice  
vote with REPS. BALYEAT, ROSS, PETERSON, LAMBERT,  
CAMPBELL, GROESBECK, and McALPIN voting by proxy.

EXECUTIVE ACTION ON HB 252

03:49:25        Motion:   REP. WISEMAN moved to RECONSIDER THE  
MOTION on HB 252.

Discussion:

---

03:50:36        REP. LAKE

03:51:01        REP. WISEMAN withdrew the Motion to RECONSIDER THE  
ACTION on HB 252.

**ADJOURNMENT**

Adjournment: 12:00 P.M.

---

REP. KARL WAITSCHIES, Chairman

---

DEBRA POLHEMUS, Secretary

KW/dp

Additional Exhibits:

**EXHIBIT ([tah67aad0.PDF](#))**